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TAGS: [ECON](#) [EMIN](#) [EINV](#) [PREL](#) [PINR](#) [PGOV](#) [BL](#)
SUBJECT: ORURO: STEPCHILD OF BOLIVIA'S ALTIPLANO

REF: A. LA PAZ 521
[1](#)B. 07 LA PAZ 3187
[1](#)C. 06 LA PAZ 2723

Classified By: Ecopol Chief Mike Hammer for reasons 1.4 b,d

[1](#)1. (C) Summary: Oruro--the smallest and least-populated of Bolivia's three altiplano departments or states--and its capital city Oruro are predominantly indigenous (Quechua or Aymara), poor, and loyal to the ruling Movement Toward Socialism (MAS) party. Oruro city's main claim to fame is the UNESCO World Heritage Carnival, which attracts thousands of tourists over one weekend; for the rest of the year there is little tourism (and little that would attract tourists.) Traditionally a mining center, the department is experiencing increasing conflicts between communities and small mines (generally run by cooperatives) as high mineral prices make "taking" small mines more tempting. Huanuni's Posokoni mine, site of the 2006 violence that left 16 dead, is now again under state control, and production has declined. Mining in the department is also suffering due to decreased investment, largely as a result of uncertainty over central government policies. The department's mining office is attempting to attract investors to mine the Coipasa salt flat, and reportedly the Chinese and Russians have expressed some interest. A bright spot is Oruro's education system, considered to be one of the better systems in Bolivia. Oruro recently declared itself illiteracy-free thanks to Cuban-inspired "Yes, I can!" reading programs and an overall better-than-average educational system. End summary.

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Mas MAS than the MAS
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[1](#)2. (C) Even more than La Paz (with its opposition prefect), Oruro is the department President Evo Morales and his MAS party can look to for support. Unlike Potosi, where the capital city is run by a popular, non-MAS mayor who is often

mentioned as a potential indigenous competitor to Evo, Oruro is--city and department--firmly in the MAS camp (the Oruro prefect is MAS and the mayor of Oruro is from a small MAS-aligned local party.) While the La Paz prefect and civic groups in Potosi have begun to raise the issue of autonomy, Oruro has to date seen no credible calls for even minimal autonomy. (Comment: Oruro would have little to gain from autonomy. Unlike Santa Cruz or even Potosi, Oruro does not have a potentially high departmental income from natural resources. With the capital city of Oruro only three hours' drive from the city of La Paz, Oruro does not chafe at being ruled from afar, as do Beni, Pando, and Tarija. End comment.) When the MAS needed a safe base to hold the final Constitutional Assembly meetings (and exclude the opposition) after violence in Sucre left three dead, they chose Oruro. Oruro's prefect features photos of himself with Evo on the cover of almost every edition of his monthly magazine, and Oruro's miners are considered a fickle but fundamentally-faithful support-base for Evo.

Oruro: Rue in the Middle and Round on Both Ends

13. (C) Dry, dusty, flat, and uninspiring, Oruro lacks even the minimal tourism potential of its two sister altiplano departments La Paz and Potosi. The national park of Sajama, with Bolivia's highest volcanic mountain peak, is locally popular but difficult to reach, and most international tourists focus instead on the Andean mountain ranges in La Paz or the mining/colonial tourism options of Potosi. Oruro's main tourist draw is the annual Carnaval, considered the second-best and most traditional in South America. The main event of Carnaval consists of a day of dancing and music, with traditional costumes in the streets and water-balloons and foam dousing the crowds. Even on the day of Carnaval itself, however, only the main street of Oruro is filled. Because hotel-space in Oruro is limited, most foreign tourists experience Carnaval as a day-trip from La Paz, spending most of their money outside Oruro itself.

Oruro vs. Oruro

14. (C) Most conflict between the city and the department (at least that is apparent to outsiders) derives from "ownership" of Carnaval. The celebration officially belongs to the city, and Mayor Edgar Bazan Ortega has placed his picture prominently in the first pages of every Carnaval-related publication (Bio note: Mayor Bazan is a member of the MAS-aligned MCSFA (Movimiento Ciudadano San Felipe de Austria) party, which also has a majority in the city council with six of ten positions. End note.) The current MAS Prefect, Albert Luis Aguilar Calle, also has a personal claim to Carnaval, however, as a locally-renowned composer of protest songs and "Morenada" dances. The two offices issue competing invitations for Carnaval to local dignitaries, and the municipal government has in the past complained about lack of infrastructural support from the prefectural government to promote Carnaval. (Bio note: Prefect Aguilar studied anthropology the Technical University of Oruro and theology at the Bolivian Catholic University. He has written two books: Resistance and Solidarity in the Mines and The Concept of Death in the Andean Mining Culture. Almost never photographed without his trademark brimmed hat, Prefect Aguilar was recently in the local gossip pages when he attempted to move his wife and two children into the prefectural office building with him. Critics cried foul at this penny-pinching measure, but Aguilar noted that at least, unlike other Bolivian leaders, he was installing his wife and not his mistress. End note.)

There's Tin in Them Thar Hills!

15. (C) Both the department and city of Oruro have long

histories of mining. Oruro city's main non-Carnaval attraction, the Church of the Virgin of the Excavation, has a mine portal at the back of the sanctuary where visitors can offer coca to the devil of the mine before or after mass. Tradition holds that the richest vein in the local "rooster foot hill" has been saved for the Virgin (an unlikely eventuality, since any minable vein is exploited upon discovery.) Almost 20 percent of the department's workers are involved directly in mining, and mining royalties supply over 20 percent of the department's operating budget. Although no trustworthy official statistics are available, insiders estimate that there are one to two mining accidents daily. However, the death rate is reportedly lower than Potosi's staggering two or more deaths per month. Because the Oruro mining boom has not been as dramatic as Potosi's, cooperatives are still run more as family or community ventures (whereas in Potosi rich cooperative "partners" often hire "peons" instead of working the mines themselves.) For this reason, observers suggest that there is less of an endemic child-labor problem in Oruro: whereas in Potosi children under fourteen work full-time in the mines, in Oruro it is generally more of an after-school or vacation activity to help their families. However, a former NGO employee told Emboff that when locals get married, sometimes as young as fourteen, they are considered adults and enter into the mines full-time.

16. (C) In October 2006, clashes between independent cooperativist miners and employees of the state mining company COMIBOL left 16 dead and over 60 wounded in the north-Oruro mining town of Huanuni (ref C.) This confrontation also led to the replacement of both the Mining Minister and the head of COMIBOL and resulted in the official "renationalization" of the Posokoni mine and its surroundings. Since the Posokoni deposit has been fully renationalized, intermittent strikes and conflicts between disenfranchised cooperative miners and state-miners have caused numerous work-stoppages. Huanuni produces almost half of Bolivia's tin, roughly 650 tons per month. However, ongoing conflict is decreasing production: a ten-day strike in April resulted in losses of USD2.6 million. (Note: After ten days union leaders accepted a 20 percent wage increase instead of the 30 percent they had originally demanded, announcing that they did not want their strike to be interpreted as an act against President Evo Morales. "There is a political issue involved that we considered because they might say we are allied with the oligarchs in Santa Cruz, making our demands ill-timed," said union secretary-general Guido Mitma. End note.)

17. (C) Government figures suggest that the department of Oruro produced almost 10,000 tons of tin, over one ton of silver, and over 1,000 tons of antimony in 2001 (the most recent numbers available.) These numbers are suspect, however, since central government contacts have complained that roughly half of Bolivia's mining production is unregistered and untaxed, leaving the country as contraband. The official numbers do show that production of tin, antimony, and lead decreased between 1992 and 2001 in Oruro, despite rising world metals prices. According to the prefecture, small-scale gold mining is also currently active in the department of Oruro, although gold mines are particularly susceptible to mine "takings" by local communities (ref B.)

18. (C) Oruro's Santa Maria tin mine, located on the border with the department of Cochabamba, was the site of the most recent and notorious mine "taking" in Bolivia. Ex-cooperative miners from Huanuni who had been hired by the owner of the private Santa Maria mine were attacked by members of nearby communities, leaving over ten wounded and two miners dead. The community members complained that the mine owner had promised to hire from within the community but instead had brought in experienced miners unemployed after the nationalization of Huanuni's Posokoni mine. (Comment: In a disturbing parallel to the recent wave of extra-legal "lynchings" that are sometimes perpetrated in the name of community justice (ref A), many of the wounded in the Santa

Maria attack were kidnapped and tortured before being released. End comment.)

Welfare-State Mentality: How Not to Find Investors

¶9. (C) In late 2006, the prefecturate opened a departmental office of mining and metallurgy, which now is staffed by three engineers, two geologists, a manager, and a secretary. Emboff met with Engineer Huascar Guzman, a mining engineer with previous experience with NGOs. The international-aid focus of the office (and Mr. Guzman) was apparent in a handout provided to Emboff, which outlined a number of potential mining projects in the department, highlighting how many jobs they would provide and what the benefits to the community would be. When Emboff suggested that companies would be more interested in return on investment, Guzman admitted that they had no such information calculated but said that they would try to find out. Guzman also expressed his frustration that he had sent out these "investment prospectives" to all the foreign Embassies in Bolivia but had only heard back from China and Russia. After Emboff explained that the United States does not have a state mining company, Guzman seemed mollified and asked about other options. He admitted that his office had not contacted any domestic or international companies directly, not even Newmont's Inti Raymi (located 15 miles outside of town) or Glencore's Synchi Wayra (with offices in the same block as the departmental mining office.)

Russian, Chinese Interest in Lithium/Potassium Salt Flats

¶10. (C) Oruro has high hopes for exploitation of the Coipasa salt flat's non-metallic deposits (primarily sodium chloride with recoverable levels of potassium and some lithium.) According to Guzman, Potosi's Uyuni salt flat has higher levels of lithium and therefore has attracted more international interest, however the potassium deposits in Oruro's Coipasa salt flat could provide fertilizer for Bolivia's eastern agricultural regions. Currently the Coipasa salt flat is being exploited only by local communities for sodium chloride used as table-salt. Although Guzman claims that Bolivia's geologic office Sergiotecmin has found ore-grade potassium deposits in the Coipasa salt flat, he says that a pilot plant would be necessary to determine whether the mineral can be economically extracted. Guzman claims that the central government has already promised the prefecturate the necessary mining concessions, and that the prefecturate would expect to form 50/50 joint ventures with any interested investors.

The Writing on the Wall: More Can Read It Now

¶11. (SBU) On March 13, President Morales declared Oruro to be the first "illiteracy-free" department in Bolivia. Since 2006, Bolivia's National Literacy Program has taught 32,514 adults in the department (roughly one tenth of the population.) The literacy education, some of it based on the Cuban-backed "Yes, I can" program, emphasizes basic literacy skills such as number recognition and the ability to sign one's name. For a poor department, Oruro already had a good educational start, however. In the 2001 census, Oruro had the third-best literacy rate in Bolivia (bettered only by Santa Cruz and Beni) and the highest literacy rate for men. In both the 1992 and 2001 census counts, Oruro had the highest school attendance rates for students between 6 and 19 years old, including the highest attendance rates in both years for female students. And although the true meaning of "illiteracy-free" can be debated (one indigenous contact told Emboff that the first he had heard of a literacy campaign in his town was when the government officials showed up to declare the non-existent campaign a great success), there are signs that Oruro's education system has instilled in Orurenos

a desire for learning. The head librarian at Oruro city's Casa de Cultura (financed by the Chinese government) told Emboff about the city's newly-instituted "book days." On select Saturdays, the city sets up part of the library's book collection as a street fair, where anyone who wishes to can sit and read. Especially popular for readers of all ages are illustrated children's books, many donated by the Embassy.

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